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April 30, 2013

Via E-mail

Hon. Denise L. Cote,  
United States District Judge,  
Daniel Patrick Moynihan United States Courthouse,  
500 Pearl Street, Room 1610,  
New York, New York 10007-1312.

Re: FHFA v. First Horizon National Corp., et al., 11-cv-6193

Dear Judge Cote:

Pursuant to paragraph 3 of this Court's February 27, 2013 Supplemental Expert Scheduling Order for Tranches 3 and 4 (the "Tranche 3 and 4 ESO"), Defendants in the above-captioned action ("First Horizon") respectfully submit this status report on "the production and identification of, and stipulation to, Guidelines and Loan files."

**I. Production of Loan Files and Guidelines by Parties and Third-Parties**

As previously reported to the Court in First Horizon's March 29, 2013 status report, First Horizon has substantially completed production of identified loan files in its possession, custody or control for loans in the supporting loan groups for the Certificates purchased by the GSEs, including for loans in the samples designated by FHFA (the "FHFA samples") and does not anticipate the production of additional loan files by third-parties. To date, First Horizon has produced a version of the loan file corresponding to 488 of 500, or approximately 98%, of the loans in the FHFA samples. First Horizon has conducted a diligent search for the remaining loan files but has been unable to locate them.

Also as previously reported, First Horizon has substantially completed production of underwriting guidelines in its possession, custody or control for loans in the supporting loan groups for the Certificates purchased by the GSEs, including for loans in the FHFA samples. The parties have cooperated to identify any guidelines that may be

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relevant to the loans in the FHFA samples that have been produced by other defendants in the coordinated actions.

## **II. Identification of, and Stipulation to, Guidelines and Loan Files**

FHFA and First Horizon are cooperating to exchange and enter into proposed stipulations concerning loan files and loan-guideline matches. FHFA proposed stipulations for sample loan files (and their respective guidelines) for the FHAMS 2005-AA9 securitization on April 1, 2013; for the FHAMS 2005-AA10 and FHAMS 2005-AA11 securitizations on April 8; and for the FHAMS 2005-AA12 and FHAMS 2006-AA1 securitizations on April 15. First Horizon responded to each proposal within seven days after receiving the proposal, in accordance with this Court's March 19, 2013 Order, making a different loan-guideline match proposal for substantially all guidelines and matrices based on a review of each sample loan file and relevant guideline.

FHFA responded to First Horizon's proposals for the FHAMS 2005-AA9, FHAMS 2005-AA10, and FHAMS 2005-AA11 on April 19, 2013, indicating that for the 300 loans at issue, "FHFA agrees with First Horizon's stipulations for 297 Loan Files, 289 Guidelines, and 290 Guideline matrices." However, as First Horizon informed FHFA on April 29, this response appears to contain errors; FHFA apparently altered some bates-ranges in the columns of the spreadsheet reserved for First Horizon's proposals. FHFA has indicated that it is working to provide a revised set of responses for these 300 loans. FHFA has not yet responded to First Horizon's proposals for the remaining 200 sample loans.

On April 23, 2013, all tranche 3 and 4 parties conferred, and FHFA proposed extending certain matching deadlines to May 31, 2013.<sup>1</sup> The parties have now agreed with respect to the *First Horizon* case to seek to extend until May 31 (i) the April 30 deadline for stipulating to loan files and loan-guideline matches set forth in paragraph 2 of the Tranche 3 and 4 ESO and (ii) the April 30 deadline for triggering cost shifting set forth in paragraph 4 of that Order. FHFA indicated that it would advise the Court of this

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<sup>1</sup> FHFA has stated that it understood its April 23 proposal to apply only to Securitizations with more than five missing loan files, as reflected in its April 26, 2013 letter to the Court. However, First Horizon understood that proposal to apply to all tranche 3 and 4 Securitizations and confirmed that understanding by email to FHFA on April 24. On April 29, 2013, FHFA proposed extending to May 31 the matching deadlines for all tranche 3 and 4 Securitizations "for those Defendants that understood this to be the parties' agreement [on the April 23 call] and/or believe that such an extension would make sense in their cases." First Horizon accepted this proposal.

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agreement in its status report today, and First Horizon joins in the application to modify the Tranche 3 and 4 ESO deadlines for the *First Horizon* action as set forth herein.

Defendants are available at the Court's convenience to discuss these matters.

Sincerely,

/s/ Amanda Davidoff

Amanda Davidoff

cc: All counsel of record (by e-mail)